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**R.I. DEPARTMENT OF HUMAN SERVICES
OFFICE OF FINANCIAL MANAGEMENT AND LEGAL SERVICES**

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FAX TRANSMISSION COVER SHEET

DATE: July 13, 1998

FROM: Ronald A. Lebel, Esq.; Associate Director

TO: Office of the Secretary
ATTN: Greg Lipscomb

FAX: 202-418-0236

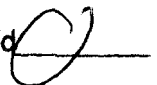
MESSAGE: Enclosed please find a letter re: R.I.'s Comments on Remand Issues in the
Payphone Proceeding (CC Docket No. 96-128)

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 10, 1998

Office of the Secretary

Federal Communications Commission
Room 222
1919 M Street N.W.
Washington, D.C. 20554

RE: R.I.'s Comments on Remand Issues in the Payphone Proceeding (CC Docket No. 96-128)

Dear Secretary:

In response to the Public Notice released June 19, 1998 (DA 98-1198), the State of Rhode Island respectfully submits the following comments pursuant to the ongoing matter of MCI v. FCC, No. 97-1675, slip op. (D.C. Cir. May 15, 1998).

Rhode Island is in the process of implementing its Electronic Transfer Benefit (EBT) system to distribute public assistance cash benefits and Food Stamp benefits to eligible beneficiaries. The EBT implementation process is being rolled out in sequential stages in geographical regions of the state. The first region to implement EBT became effective July 1, 1998, and the last region is expected to be implemented on October 1, 1998.

When the full implementation of the EBT process is complete, some 34,000 RI families, representing approximately 102,000 individuals will receive welfare and Food Stamp benefits through this electronic transfer system. Because not all of these 34,000 households have home phones, we estimate, based upon empirical data obtained from states already on line with an EBT system, that as many as 13% of the caseload will utilize payphones to verify or inquire about the funds available to them. Based upon our experience with the frequency with which our clients or beneficiaries call our various district offices, we anticipate an average of 3.3 calls per month from each beneficiary.

Office of the Secretary, Federal Communications Commission
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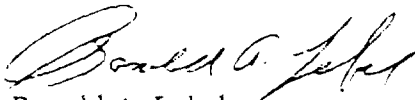
These percentages translate into the total number of calls made from payphones that we anticipate to be up to 14,486 per month. Given an estimated payphone charge of thirty cents (\$0.30) per call, this means a monthly liability to the State of Rhode Island of approximately \$4,375.80.

The provision of public assistance benefits to eligible beneficiaries is not only a matter of public concern, it is a right to which these individuals are entitled under current federal and state statutes. As a matter of public policy, we respectfully request that the Federal Communications Commission maintain jurisdiction over the regulation of the telecommunication industry as it relates to the rates for payphone service for EBT purposes.

To allow unfettered deregulation of the payphone service rate structure in this area of public domain would increase the cost of providing entitlements to eligible recipients; a cost that would be met by increased taxpayer support or by a reduction of benefits. The latter is not a palatable alternative as the current public assistance payment levels in all states are all below the Federal Poverty Income Guidelines. To force an increased burden upon the taxpayers at a time when the government is seeking decreased spending at federal and state levels flies in the face of logic.

In conclusion, the State of Rhode Island respectfully encourages the FCC to maintain jurisdiction over the regulation of the payphone rates, especially as those services are used by participants in the EBT programs now being implemented not only in Rhode Island, but in many other states.

Respectfully submitted,



Ronald A. Lebel
Associate Director

cc Brian Claire